

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

CHINA ALUMINUM CANS HOLDINGS LIMITED

中國鋁罐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6898)

CLARIFICATION ANNOUNCEMENT ON CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement (the “**Announcement**”) of the Company dated 31 July 2017 regarding the continuing connected transactions. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board would like to provide the following further information on the pricing policies and the proposed annual caps in relation to the New Supply Framework Agreement.

PRICING POLICIES

Pursuant to the New Supply Framework Agreement, the Company agreed to supply aluminum aerosol cans and car care service products to Mr. Lin’s Group. The selling price of the products would be separately negotiated for each purchase order by the parties, based on the costs of the products (including with the logistic costs, taxes, insurance and other relevant costs) plus a profit margin, taking into account the selling price of the products sold by the Group to independent customers and the selling price of the same or comparable products in the market.

The Group produces more than 50 models of aluminum aerosol cans of different base diameters and with various features and shapes for customers’ selection. It is expected that the unit selling price of the Group’s aluminum aerosol cans sold to Mr. Lin’s Group will range from about United States Dollars (“**USD**”) 0.09 to USD0.31, subject to upward adjustment for any significant increase in raw material costs.

The Group's car care service products include more than 2,600 varieties of car refrigerants, air conditioner disinfectant cleaner, paint remover, spray paint, wax, air fragrance, multi-purpose foam cleaner, carburetor cleaner, anti-rust lubricating spray, furniture polisher and sticker remover. It is expected that the unit selling price of these products sold to Mr. Lin's Group will range widely from approximately Renminbi ("RMB") 0.34 (for car cleaning towels) to RMB352.1 (for car coating products).

To ensure that the relevant transactions under the New Supply Framework Agreement are conducted on normal commercial terms or better to the Group, the Group's sales departments will monitor the unit price of the products to be sold by the Group to Mr. Lin's Group based on a price list, which is also generally applicable to the Group's sales to other independent customers. The price list will be reviewed and updated regularly, and at least annually, with reference to the prevailing market price of the same or comparable products in the market. The sales departments and the finance departments will review from time to time to ensure the unit price of the products sold by the Group to Mr. Lin's Group will comply with the unit price set out in the price list.

The independent non-executive Directors will review the transactions under the New Supply Framework Agreement to ensure that the price offered by the Group to Mr. Lin's Group is no more favourable than that offered to independent customers, and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps.

PROPOSED CAPS

As set out in the announcement of the Company dated 13 November 2015, the annual caps under the Supply Framework Agreement for the two years ended 31 December 2016 and 2017 were HK\$11 million and HK\$11 million respectively.

The proposed annual caps for the New Supply Framework Agreement for the five months ending 31 December 2017 and the two financial years ending 31 December 2019 are HK\$15 million, HK\$29 million and HK\$32 million, respectively.

The proposed annual caps are determined taking into account the following factors: (i) historical transaction amounts under the Supply Framework Agreement of HK\$10.5 million for the year ended 31 December 2016, (ii) the transaction amounts during the period from 1 January 2017 to 31 July 2017, which can be reflected by the number of aluminum aerosol cans sold to Mr. Lin's Group of around 6.2 million units (as compared to 3.3 million units during the same period in 2016), and (iii) the projected and/or targeted growth in revenue and sales volume of the Group as determined by the Board.

Save as stated above, all the information set out in the Announcement remains unchanged.

By Order of the Board
China Aluminum Cans Holdings Limited
中國鋁罐控股有限公司
Lin Wan Tsang
Chairman and executive Director

Hong Kong, 7 August 2017

As at the date of this announcement, the executive Directors are Mr. Lin Wan Tsang, Mr. Dong Jiangxiong, Ms. Ko Sau Mee and Mr. Lin Hing Lung; the non-executive Director is Mr. Kwok Tak Wang; and the independent non-executive Directors are Dr. Lin Tat Pang, Ms. Guo Yang, Mr. Chung Yi To and Mr. Yip Wai Man Raymond.